the basis of excess realisation made by the factory during the sugar season. Some of the States, however, were fixing without reference to Clause 5A, a price popularly known as State Advised Price (SAP) and insisting upon its payment in one instalment. This being not acceptable to Sugar manufacturing units in UP, they challenged it before a Bench of the Allahabad High Court. The Court, upholding the prce fixation formula prescribed under the Sugarcane Control Order, has declared SAP as illegal. It is, however, legally open to the sugarcane manufacturers and the sugarcane growers to have an agreed price.

(d) to (f) The Government have revised the Statutory Minimum Price for sugarcane with effect from 1.10.1996. It is fixed at Rs. 45.90 per quintal linked to a basic recovery of 8.5% subject to a premium of Rs. 0.57 for every 0.1% increase in recovery above this basic level.

Long Term Credit by MMTC for Imported Fertilizer

*218. SHRI S. AUSTIN: Will the Minister of COMMERCE be pleased to state:

(a) whether MMTC extends long-term credit to agents for its imported fertilizer in some States only;

(b) whether it is a fact that crorcs of rupees of MMTC funds arc locked up by some fertilizer dealers in Anthra Pradesh for two years;

(c) whether no security has been taken from such fertilizer agents; and

(d) if so, reasons for this laxity;

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BUL1 RAMAIAH): (a) to (d) No, Sir. MMTC only extend short term interest-free credit to parties against Bank Guarantee/Letter of Credit. This Policy is equally applicable to all States. Rs.2.50 crorcs is pending realisation from five dealers in Andhra Pradesh. No security was taken from the five dealers on the date the stocks were placed in their godowns. However, MMTC has since covered Rs.1.15 crores (approx.) through securities. The reasons for not taking adequate security at the first instance are being looked into.

Functioning of Metal Scrap Trading Corporation Limited

*219. SHRIMATI BASANTI SARMA:

DR. SHRI KANT RAM-CHANDRA JICHKAR:

Will the Minister of STEEL be pleased to state:

(a) whether Government are properly monitoring the functioning of the Metal Scrap Trading Corporation Ltd.

(b) if so, whether the Corporation has been making profits; is so. the profits for the last three years;

(c) in view of the policy of liberalisation whether the Government feci the necessity of the MSTC; and

(d) if so, the reasons therefor?

THE MINISTER OF STEEL AND MINISTER OF MINES (SHRI B1RENDRA PRASAD BA1SHYA): (a) Yes, Sir.

(b) MSTC Limited (formerly known as Metal Scrap Trade Corporation Ltd.) is continuing to make profits. The profit before tax earned by it during the last 3 years has been as under:

Year	Profit Before tax (Rs. in crorcs)
1993-94	8.16
1994-95	8.52
1995-96	3.13

(c) and (d) The Company is playing a useful role in meeting the requirements of imported steel melting scrap of various users, particularly the small Electric Arc Furnace Units in the steel industry, and it would be in the interest of the country that MSTC continues to provide such service to the secondary steel sector. Besides, MSTC also provides well

organised marketing services to a very large number of Government Departments and Public Sector Undertakings for the disposal of metal scrap arisings.

Heavy losses by Engineering Projects India Limited

*220. SHRI JAGIR SINGH DARD:

DR. SHRIKANT RAM-CHANDRA JICHKAR:

Will the Minister of INDUSTRY be pleased to state:

(a) whether the Engineering Projects India Limited has incurred heavy losses in the execution of projects undertaken by them abroad particularly in Kuwait and Iraq;

(b) if so, the details of these losses and reasons therefor;

(c) steps taken/to be taken to fix the responsibility; and

(d) in what manner the losses will be prevented in future?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) and (b) Engineering Projects (India) Ltd. (EPI) had undertaken works in Kuwait and Iraq from 1975 to 1984. The losses have been mainly because of time and cost overrun due to interruption of work caused by Iran-Iraq hostilities, rigid and unreasonable attitude of the clients regarding quality certification, delayed payment of EPI's bills by Iraqi clients, and heavy interest burden on loans taken from banks during the execution of projects in Iraq and Kuwait. These losses have been to the extent of Rs.79.49 crore.

(c) Consequent to the observations made by COPU in its Second Report (1991-92), a committee was appointed to identify the losses and fix responsibility. The lapses identified were mismanagment and were of administrative nature. Since the officials held responsible had either expired or were no longer with the company, no administrative or legal action was possible.

(d) The company has been debarred from taking up overseas projects. Besides, the following steps have been taken by the Managment of EPI to prevent losses in future:

1. Delegation of authority has been clearly defined by the Board and monitoring * systems have been strengthened.
2. It has been decided not to release ad-hoc advances to sub-contractors.
3. Strict vigil maintained on materials for construction and cost of construction.
4. Engaging consultant for design has been minimised.
5. Organisation structure has been rationalised. An Executive Director (Vigilance) has been appointed on deputation basis.

WRITTEN ANSWERS TO UNSTARRED QUESTIONS

Employees Suspended in Super Bazar

1479. SHRI V.P. DURAISAMY: Will the Minister of CIVIL SUPPLIES, CONSUMER AFFAIRS AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether a number of employees have remained suspended in Super Bazar for many years;

(b) if so, the number of employees who have remained suspended for more than six months, one year, two years, three years and more than five years as on 1st March, 1997;

(c) the rules regarding payment of subsistence allowance to the suspended employees;

(d) whether the percentage of subsistence allowance remains static or increases over a period of time; and

(e) whether employees suspended earlier are being paid less percentage of subsistence allowance than the employees suspended later and if so, the reasons therefor?